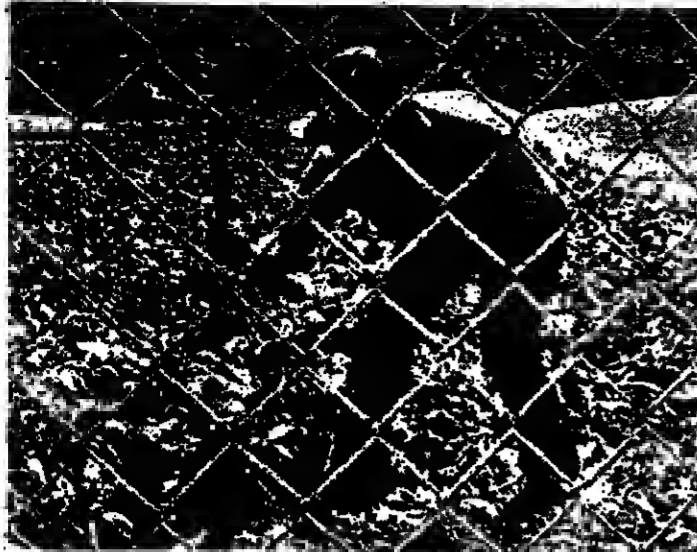


Jap. ico. 20



A worker chops brush behind a new wire fence surrounding the Sheraton Hotel in Cancun, Mexico, where leaders of 22 industrialized and underdeveloped countries will meet this week.

Cancun Touches Up For World Leaders

By Alan Riding
CANCUN, Mexico—Decorators are still sprucing up the Cancun airport and the hot lines to capitals as far apart as Abidjan and Peking have yet to be tested, but preparations for the conference of industrialized and developing nations this week are now virtually complete.

For Rich and Poor Nations, Stakes at Cancun Are High

By Bernard D. Nossiter
NEW YORK—Presidents Ronald Reagan, Abdus Sattar of Bangladesh and other heads of state or their representatives will gather at the Mexican seaside resort of Cancun for two days of talk this week on how to improve the lot of the poor nations of the world.

NEWS ANALYSIS
The leaders, eight from industrialized nations and 14 from the so-called developing world, have already agreed to make no agreements to take no actions that govern the way the world buys, sells and finances its goods and services.

States, backed by West Germany and Britain, had firmly resisted any global bargaining round under a one-nation, one-vote rule. Mr. Reagan, Chancellor Helmut Schmidt of West Germany and Prime Minister Margaret Thatcher of Britain still oppose a United Nations body that could overrule decisions by GATT, the World Bank and the IMF.

Not surprisingly, the nations of Asia, Africa and Latin America want to detach these aid and trade institutions from the grip of the rich. Cancun is at bottom an attempt to persuade Mr. Reagan to soften the U.S. resistance.

And in his speech in Philadelphia last week, Mr. Reagan made no mention, either favorable or unfavorable, of global negotiations, suggesting that his administration still had not made up its mind what to do.

The president did, however, call on the Third World countries to develop free-market economies that would permit a greater flow of private investment and trade as a solution to break the grip of poverty. In other words, what works for the United States will work for developing nations.

They sell their coffee, copper, cocoa and the rest in largely competitive markets. But they buy generators, autos, earth-moving equipment and other finished goods from a handful of producers with power to fix prices. So, in the thesis, the Third World is perennially disadvantaged, receiving less and less but paying more and more.

Though this position is not a departure from that of previous administrations, the Reagan camp seems to be using it with greater bluntness. At the same time, some soft words about a global negotiation round by Mr. Reagan should permit the heads of state to leave content with a symbolic agreement.

cluded that no conclusion was possible. Their report has never been made public. The other difficulty is the view being expressed by President Reagan: The argument that development is tied to entrepreneurship, private investment and open markets. Where they function, as in South Korea or Taiwan, growth is rapid, where they are inhibited by controls as in Algeria, Tanzania or India, growth is sluggish.

Behind the political talk at Cancun, there are a number of economic issues that will be discussed by experts and are the subject of future bargaining, global or otherwise.

Raw materials. The Third World wants to create a network of cartels to protect and increase the prices of their raw materials.

Energy. Saudi Arabia wants fixed and predictable oil price increases, tied to the dollar's international buying power. But Venezuela, Mexico, Nigeria and other oil exporters prefer uninhibited pricing. A subsidiary issue centers on a proposed new, \$25 billion affiliate of the World Bank. The bank wants to finance the search for oil in Third World countries. So far, both OPEC and the United States have blocked this institution.

Finance. The Third World wants the IMF to relax the conditions of its loans and provide a fresh slice of aid by distributing Special Drawing Rights, the instruments nations use to settle accounts with each other.

Zimbabwe Press Takes Cautious Approach Under 'New Order' for Reporting of News

By Joseph Leliveld
SALISBURY—Only a few voices were raised to warn of encroachments on press freedom when the government created a semi-independent trust early this year to buy out the South African interests that had controlled nearly all the newspapers in former Rhodesia.

The press that was being taken over, it was recognized, had been tamed, if not broken, by the white minority regime of Ian Smith, so there was not much independence left to be compromised.

Positivity is news. Negativity is not news," declared the director of information, Justin Nyoka, setting a standard for what was supposed to be a "new order" in journalism.

Eight months later, Zimbabwe's newspapers are still operating without any controls or political guidelines—either from the government or the new Mass Media Trust—but they have also done little to test the freedom that has supposedly been preserved for them.

The secretary of Mass Media Trust, Mungadziwe Mawere, said the government wanted the papers "to retain some independence, but not total independence."

In practice, no editor has yet found occasion to criticize Mr. Mugabe directly for any reason, but now and then one of his Cabinet colleagues attracts fire. Mr. Musarurwa, for instance, has written a couple of editorials assailing Health Minister Herbert Ushewokunze as a force for disunity.

Minister Fired
Mr. Mugabe evidently agreed. Immediately upon his return from a Commonwealth conference in Australia, he dismissed Mr. Ushewokunze.

The information minister, Nathan Shamuyarira, appointed the first three members of Mass Media Trust. Two of the three he appointed were whites, a businessman who is president of the Confederation of Industries, and Grace Todd, the wife of former Prime Minister Garfield Todd.

Using a grant from Nigeria, the trust then bought up the dominant 45 percent interest that the Argus Company of South Africa had owned in a holding company called Zimbabwe Newspapers that runs daily and Sunday English-language papers in Salisbury and Bulawayo, in addition to a weekly in Umtali. The trust also bought the country's only news agency, the Zimbabwe Inter-Africa News Agency, which had been owned

and managed by the South African Press Association.

The government said it was unthinkable that foreign interests—especially South African—could be allowed to control the press of a newly independent black country.

Korean Mission
In the event, it was the small Umtali Post that provoked the first instance in which the government was plainly seen to put pressure on the trust. The weekly was the first to report the arrival of a North Korean military mission to train one of five army brigades. In an accompanying editorial, headlined "Sinister Trend," it then asked why the army needed help, "least of all from foreigners from East Asia."

Two days later the editor and the reporter who wrote the article, both whites, were driven to Salisbury by officers from the Central Intelligence Organization, the state security apparatus, and escorted into the presence of the prime minister and Mr. Shamuyarira. According to Stan Higgins, the reporter, Mr. Mugabe started by saying he had no quarrel with the news report but only with the editorial's tone.

Shortly after the meeting, the editor, Jean Maitland-Stuart, was told by Zimbabwe Newspapers that she was to be replaced. Mr. Shamuyarira acknowledged in Parliament that the government had made its displeasure known to the trust over the "racist" and "South African thinking" in the editorial.

OPIMUM. Jamais parfum n'a provoqué une telle émotion. Parfums YVES SAINT LAURENT

A balance of confidence.

It is largely due to the confidence shown by our customers that we are able to look back once again on another successful year. They have confidence in the quality, safety, economy, utility value and durability of our vehicles—and have demonstrated this fact.

On a safe course through difficult times. The determining factor in the development of the world's economy was once again the drastic increase in oil prices. This fuelled inflation, reduced the chance of growth for those countries dependent on oil imports, and left its mark on their balance of payments.

Despite the overall negative tendencies with regard to turnover in the world-wide automotive industry, 1980 was for Daimler-Benz a year in which our star continued to shine. We have produced and sold more, improving our market position both at home and abroad. The total figures were 429,078 cars and 272,868 commercial vehicles.

Turnover for the whole concern rose by more than 13 per cent to over 31,000 million D-Marks. Our factories worked to full capacity all year. Jobs remained secure. With almost 9,000 new jobs, Daimler-Benz employed 183,600 people by the end of 1980. In 1981, so far as we can tell, our company

Daimler-Benz Aktiengesellschaft
CONSOLIDATED BALANCE SHEET (summarised)
ASSETS 1980 1979
Fixed assets 4,325.2 3,846.4
Cost of investments in consolidated subsidiaries in excess of book value at acquisition 27.4 -
Current assets 12,992.2 14,116.5
Balance sheet total 17,479.1 14,116.5
LIABILITIES 1980 1979
Stockholders' equity 5,315.3 4,580.6
Overall provision for possible loss on receivables 275.7 208.6
Loan capital 11,888.1 9,227.3
Balance sheet total 17,479.1 14,116.5
CONSOLIDATED PROFIT AND LOSS ACCOUNT (summarised) 1980 1979
Total revenue 32,126.8 28,147.7
Expenditure on material 16,556.2 14,176.7
Staff expenses 9,815.8 7,754.2
Write-offs 1,456.2 1,349.6
Taxes on income, trade and property 1,692.8 2,378.0
Additional expenditure on other cost and revenue items 1,503.8 2,031.4
Net income 1,102.0 637.8

will probably equal last year's performance, perhaps even better it.

Good progress on the road to the future.

In 1980, we continued to press forward towards our targets. These are naturally to make every effort to maintain and improve the high utility value, economy and quality (therefore also the real worth) of our vehicles. This is particularly important at a time when strict standards are being set for vehicles, and for the product policy of the automotive industry.

It was against this background that we introduced the New S-class saloons. These are even more efficient and safe, and retain their

value even better than their predecessors, while needing about 12 per cent less fuel.

Additionally, two new four-cylinder engines were introduced for the 200 and 230 E models which offered enhanced performance while at the same time up to 13 per cent improved economy.

The economical diesel passenger car engine—a classical type for us—continued to be prominent. Almost half of all the cars we produced in 1980 were diesel powered.

Our large and varied commercial vehicle range was further extended. New engines were developed for the new generation of heavy trucks. Engines with high performance, excellent efficiency and particularly good fuel consumption characteristics.

Vehicle exports vital to cover oil costs.

Turnover abroad rose during 1980—mainly due to an increase in exports—by nearly 20 per cent to 17,200 million D-Marks.

Success abroad has long been one of our, and the German automotive industry's principle aims. Nowadays its importance is even more emphasised for the German economy as a whole and for Germany's balance of payments.

To succeed in future—invest in the future.

Securing its own future is one of the prime tasks for any company. Which is why we strive so hard to maintain the high technical standards of Mercedes-Benz products, reduce fuel consumption, and at the same time make them more environmentally acceptable.

We will continue to spend more than 1,000 million D-Marks a year on research and development alone. Additionally, we will invest more than 2,000 million D-Marks in new production plants, to improve the flexibility of our production, and in our sales and service organization.

We would like to thank our customers for the way they remain true to our marque. This puts us under a special obligation. The confidence shown to us in the past has secured our present. It is also something we want to continue to earn in the future.



Handwritten note: 10/19/81

Peking's Gestures of Conciliation Garner Little Support on Taiwan

By Henry Kamin
New York Times Service
TAIPEI — Most of the population of Taiwan listens to the government's ritual vows to "recover the mainland" with a jaded ear and little-disguised derision. But the same people — both native Taiwanese and those who fled from the mainland in 1949 — are

governed by mainland refugees, reject submission to the Communist claimants of their country even more strongly.

Several Taiwanese intellectuals interviewed here expressed the fear that the present government or a Kuomintang successor — President Chiang is at least 71 years old — might eventually strike a bargain with Peking at the expense of the Taiwanese, who constitute the island's overwhelming majority.

"The mainlanders have the family ties and the nostalgia," a writer said. "We do not." Since the Japanese colonization in 1895, Taiwan has not been ruled by mainland governments.

China Patriotism

Reunification is not an aspiration cherished by many Taiwanese, nor is it considered a realistic hope by the children of those who fled here.

Alluding to Taiwanese suspicions that a "great China" patriotism that the islanders do not share might prompt a Kuomintang government to accept a Peking offer one day, a senior official rejected a frequently heard contention that the government was adamant in rejecting all Peking proposals.

largely because categorical opposition to the Communists was the Kuomintang's main claim to legitimacy for its rule over Taiwan.

"We reject it for more practical reasons," he said. "We would divide this country if we accepted negotiations with Peking, no matter how hard a stand we adopted."

Government officials, businessmen and foreign business and banking representatives here offered another practical reason for the government's almost automatic rejection of all offers from Peking.

To raise the possibility that Taiwan might surrender its independence, under whatever guarantees Peking offered, would shake faith in the continuation of the economic policies that have brought about one of the most booming economies in Asia, and lead to a flight out only of capital but also of entrepreneurs and technical and business talent.

Many highly educated people on Taiwan hold "green cards" that entitle them to permanent residence in the United States.

Unanimity Surprising

With surprising unanimity, which is rarely heard among Taiwanese commenting on government declarations, various versions of the theme "We have nothing to gain and everything to lose" were heard in interviews and conversations. No one argued with the view that the government spokesman, James Soong, expressed in two questions: "What do we have to give away? What can we get?" On most other issues, Mr. Soong does not express the views of the other people interviewed.

Opponents of the government also share the official view that Peking's offers are addressed to the United States rather than to Taipei. They are generally regarded as an attempt to depict Peking as conciliatory and Taipei as obstinate and thus to influence the Reagan administration to weaken further its ties to the nationalists and reduce military sales.

"If Peking really thought that reunification is a serious subject, they would not make a public baloney but use more discreet channels that are available," a foreign professional analyst said.

Speaking about the governments on both sides of the Formosa Strait, a Taiwanese writer said: "There isn't a popular Chinese government. We don't want the Communists, and we doubt the sincerity of the KMT [Kuomintang]. We fear one day they will go to the mainland and make a deal without asking us."

The state of emergency that has justified restrictions on democratic government since 1949 is based on the claim that the Nationalist government rules all of China and that Taiwan is only one province in a country still engaged in civil war.

Paris Fashion

Kinkiness, Patriotism Dominate Styles

By Hebe Dorsey
International Herald Tribune

PARIS — The Paris spring ready-to-wear collections are full of gits and gimmicks you couldn't take home to mother: poison-green leather bras with matching pompons swirling out of them, shoulder tattoos, huge leather cuffs, sequined tops over black chiffon, silver chains over red leather midriffs, gold G-strings and cancan garter belts.

Body-conscious Thierry Mugler went overboard with kinky nurses — the kind that could either kill or cure a man — and bloomer-clad "Dirty Dolls," as he called them — models with skirts pushed over their heads, looking like the tacky dolls you win at country fairs. Claude Montana went macabre with "widows" in black veils, carrying jet roses and chanting, "Adieu amore."

The designers' sex-shop fantasies covered the whole field, from Marilyn Monroe to the Marquis de Sade. Their other obsession so far has been the French Revolution: The new Socialist regime, which has created an uneasy, wait-and-see feeling in the fashion industry, has resulted in a rash of aggressively patriotic, tricolor costumes dug out of history books.

What that means in terms of

fashion is lots of bright stripes and a choice between *aristos* in dairy, shawled and pantaloned Marie Antoinette outfits, or revolutionaries in cropped striped pants and cockade-trimmed hats.

In a tedious repeat of "same tent, next year," the French, who do not seem to be able to get their act together, have thousands of fashion pros shuttling to the Jardin d'Acclimatation, the children's amusement park in the Bois de Boulogne. During the weekend (the showings continue through Wednesday), 18 collections went down runways turned into everything from fountains to gardens of Eden to columned Roman forums.

The most solid shows were at Chloé, Emanuel Ungaro and Montana, with young, spicy stuff coming from Jean-Paul Gauthier, who makes anti-establishment, post-punk clothes.

Karl Lagerfeld, for Chloé, delivered imaginative, fantasy clothes while still managing to make his bottom-line customers happy. His bright abstract prints, among the strongest moments of the collection, were taken from the new, "Memphis school" of furniture design, with amusement park influences.

Lagerfeld's signature this season is a 10-inch-deep, whale-

boned corset — inspired, he said, by Manet's "Nana" — that holds his whole look together.

Ungaro's contribution this time was a combination of bright chintz prints with more austere striped silks. A man with a couture background, Ungaro brings along with him refined touches such as black silk piping, beautiful silk shawls and the soigné look that comes from a long spell with the carriage trade.

Montana's highly theatrical collection, a hectic 80-minute trip around the world, was about as comfortable as a hot-and-cold shower. Brown-garbed nuns, clutching big gold crosses and intoning Gregorian chants, followed close on the heels of leather-clad gladiators. Then came Ukrainian peasants, U.S. joggers and football teams, Mexican mariachis and Casbah beauties, ending up with a tableau called "The Last Days of Pompeii" — what Montana meant by that is anybody's guess.

Theatrics aside, the clothes were serious, with Montana's strong feeling for big shapes superbly delivered. However, his fabrics collection is now being manufactured by an Italian entrepreneur — which means it has been toned down and made more commercial.



Claude Montana's French Revolution look.

NEWS ANALYSIS

even less moved by urgings from Peking that this island of 18 million inhabitants place itself under Communist rule.

The blandishments that accompanied Peking's recent proposal, which amounted to an offer to let Taiwan become China's only province with its own army and capitalist economy and human rights not available to other Chinese, found no more credence among critics of the government of President Chiang Ching-kuo than they did with the government.

Like the opposition to the authoritarian regimes in South Korea, people who oppose the Kuomintang's rigid rule, for reasons of democracy or of Taiwanese nationalist resentment against being



A coal miner is hugged by a relative after escaping from mine.

33 Dead, 60 Trapped in Japan Mine

YUBARI, Japan — Relatives of 60 men trapped underground and presumed dead in a northern Japanese coal mine gave their permission Sunday for the air supply to be cut off to prevent a fire from spreading.

The decision was taken after poisonous gas, fire and smoke prevented attempts to rescue the men, who were buried 2,000 feet (about 610 meters) underground after the mine near Sapporo on Hokkaido Island filled with methane gas Friday. Thirty-three bodies have been recovered. Ten rescuers are among those trapped.

In a televised meeting with officials of the Hokkaido Colliery and Steamship Co., which owns the mine, sobbing relatives of the missing men agreed to the cutoff of the air supply.

"We think they are all dead now. If we leave the fire raging, the bodies will be damaged and spoiled," one of the relatives said.

The accident was Japan's worst mining disaster since 1965, when 237 people were killed in an explosion.

Albert Cohen, Novelist, UN Ex-Aide, Dies

GENEVA — Albert Cohen, 86, author and former United Nations official, died Saturday.

Born in Corfu, Greece, to Jewish parents, Mr. Cohen settled 50 years ago in Geneva, where he served as a senior officer in the International Labor Office and the United Nations before becoming an independent author.

A naturalized Swiss who liked to say of himself that he had three homelands, Israel, France and Switzerland, Mr. Cohen had been mentioned frequently as a possible candidate for the Nobel Prize in Literature. His novel "Belle du Seigneur" won a prize from the Academie Francaise.

Other works included "Le livre de ma mere" and "Solal." A one-act play, "Ezechiel," was regularly presented at the Comedie Francaise.

His books were translated into various languages, including English, German, Swedish, Spanish and Portuguese, but had their greatest audience in their original French language.

Cornelius Shields
NEW YORK (NYT) — Cornelius Shields, 86, founder of an investment banking firm and a prominent yachtsman, died Thurs-

day. He had been ill with heart trouble for the past year.

Mr. Shields's fiercely competitive sportsmanship earned him the

OBITUARIES

nickname "the gray fox of Long Island Sound." Mr. Shields was the first winner of the Mallory Cup, the North American men's sailing championship, in 1953.

Georgia Sothorn
NEW YORK (NYT) — Georgia Sothorn, 68, a vivacious red-haired stripteaser and nightclub entertainer of the 1940s, died Wednesday of cancer.

In 1948 New York police halted Miss Sothorn's show and revoked her cabaret-employee license. In court the prosecution objected to Miss Sothorn's "dance routine, which consists of humps and grinds." The judge ruled in favor of Miss Sothorn, saying that "she has a right to engage in a lawful occupation and may not be arbitrarily deprived of earning a livelihood."

Edouard Depreux
PARIS (AP) — Edouard Depreux, 82, French interior minister from 1946 to 1947 and education minister in 1948, died Saturday.

Donald R. Heath
WASHINGTON (WP) — Donald R. Heath, 87, a foreign service officer for more than 40 years before retiring in 1961 and the first

U.S. ambassador to Vietnam, died Thursday.

Mr. Heath became minister to Vietnam, Cambodia and Laos in June, 1950. In July, 1953, he was elevated to ambassador to Vietnam and Cambodia, and minister to Laos, based in Saigon. He held those posts until September, 1954.

Louis W. Fairchild
NEW YORK (AP) — Louis W. Fairchild, 80, who ran Fairchild Publications during the company's post-World War II expansion, died Friday.

Arthur E. Larkin
NEW YORK (NYT) — Arthur E. Larkin, 64, president of General Foods Corp. from 1966 to 1972, died Wednesday.

Lina Tsaldaris
ATHENS (Reuters) — Lina Tsaldaris, 94, who in 1952 was the first woman to become a Cabinet minister in Greece, died Saturday.

Rive Gauche
n'est pas un parfum pour les femmes effacées.

Parfums
YVES SAINT LAURENT



What makes an airline human

With Pakistan International Airlines, it's just like coming home.

All great airlines are similar in many ways. The need for a high degree of professionalism, advanced technology, efficiency and reliability are common to all. Few airlines achieve the truly highest standards because the one factor, above all others, which makes this possible is intangible. Ambiance.

All kinds of everything.
Pakistan International Airlines is one such airline... it's just like coming home. When next you fly to America, Europe, the Middle East, Africa or Asia, fly Pakistan International Airlines.



PIA
Great people to fly with

International Bond Prices - Week of Oct. 15

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston.

RECENT ISSUES

Am't	Security	%	Mat	Yield	Price	Yield	Am't	Security	%	Mat	Yield	Price	Yield
100	Canada	100	100	100	100	100	100	100	100	100	100	100	100
100	Canada	100	100	100	100	100	100	100	100	100	100	100	100
100	Canada	100	100	100	100	100	100	100	100	100	100	100	100

STRAIGHT BONDS

Am't	Security	%	Mat	Yield	Price	Yield
100	Australia	100	100	100	100	100
100	Australia	100	100	100	100	100
100	Australia	100	100	100	100	100

HIGHEST YIELDS to Average Life Below 5 Years

100	Canada	100	100	100	100
100	Canada	100	100	100	100
100	Canada	100	100	100	100

HIGHEST YIELDS to Average Life Above 5 Years

100	Canada	100	100	100	100
100	Canada	100	100	100	100
100	Canada	100	100	100	100

HIGHEST CURRENT YIELDS

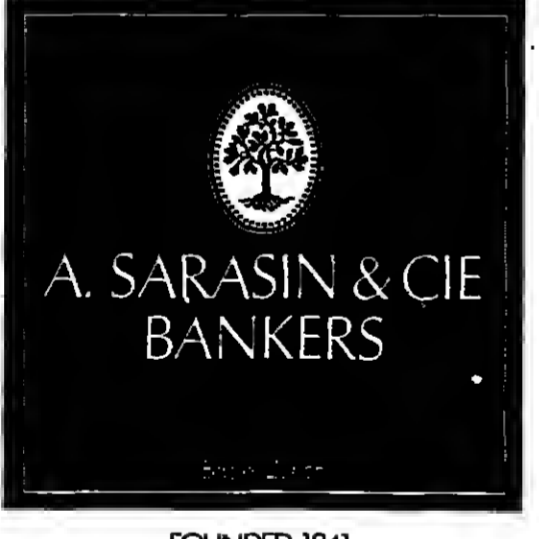
100	Canada	100	100	100	100
100	Canada	100	100	100	100
100	Canada	100	100	100	100

Am't	Security	%	Mat	Yield	Price	Yield	Am't	Security	%	Mat	Yield	Price	Yield
100	Canada	100	100	100	100	100	100	100	100	100	100	100	100
100	Canada	100	100	100	100	100	100	100	100	100	100	100	100
100	Canada	100	100	100	100	100	100	100	100	100	100	100	100

DM STRAIGHT BONDS

Am't	Security	%	Mat	Yield	Price	Yield
100	Australia	100	100	100	100	100
100	Australia	100	100	100	100	100
100	Australia	100	100	100	100	100

(Continued on Page 10)



We are pleased to announce the opening of Sarasin International Securities at Sarasin House 5-6 St Andrew's Hill London EC4V 5BY

Please address enquiries to Hans Rieppel or telephone 01-236 6599

Head Office: Freie Strasse 107, P.O. Box CH-4002, Basle. Tel. (061) 230055
Branch: Talstrasse 66, P.O. Box CH-8002, Zurich. Tel. (01) 211 4656

WestLB
Eurobonds · DM Bonds · Schuldscheine for dealing prices call

DÜSSELDORF
Westdeutsche Landesbank, Head Office, P.O. Box 1129, 4000 Düsseldorf 1
Telephone 8 26 31 21 · Telex 8 581 881 · International Bond Trading Dept
Telephone 8 26 37 41 · Telex 8 581 882 · Intern. Institutional Investors Dept

London
Westdeutsche Landesbank, 41, Moorgate, London EC2R 6AE/UK
Telephone 638 6141 · Telex 887 984

Luxembourg
WestLB International S.A., 32-34, boulevard Grande Duchesse Charlotte, Luxembourg, Telephone 44 74 11 · Telex 2831

Hong Kong
WestLB Asia Limited, 1301 Hutchison House, 10 Harcourt Road, Hong Kong
Telephone 25 92 06 · Telex 75 142

Leading Marketmakers in Eurobonds **WestLB**
Westdeutsche Landesbank

Analysts Reaching Consensus That U.S. Is in Recession, but Forecast Relatively Mild Effects

By John M. Berry
Washington Post Service

WASHINGTON — The United States economy is in a recession. The housing and automobile industries have been in that economic purgatory for months, and now the effects are spreading under the pressure of continued high interest rates.

The Reagan administration and a number of private forecasters are not yet prepared to agree the sharp technical contraction is a recession, but administration economists acknowledge there is great uncertainty about the economy over the next nine months.

Jerry Jordan, a member of the Council of Economic Advisers, declares, "There is no question that the economy will be building strength through next year, but I am not sure where the launching pad is."

That uncertainty contrasts with the administration's mid-July forecast that the economy would take off by the end of this year and expand by a healthy 5.2-percent rate during 1982. But a weaker economy should mean continued declines in the rate of inflation.

The Consumer Price Index rose 10.9 percent in the 12 months ended in August, but producer prices for finished goods were up only 7.9 percent in the same period, an increase 5 percentage points smaller than in the

preceding 12-month period. The CPI should soon begin to reflect that slowdown more fully.

Recent economic news could not help but stanch the administration's optimism about economic activity, if not about inflation. Industrial production fell 0.8 percent in September, the second monthly drop in a row. A wide range of industries reported output declines.

As a consequence, layoffs are increasing. The nation's unemployment rate jumped from 7.3 percent to 7.5 percent last month.

The Commerce Department will release preliminary figures for third-quarter Gross National Product this week, and many observers expect them to show a decline, after adjustment for inflation, at an annual rate of between 1 percent and 2 percent. In the second quarter, real output fell at an annual rate of 1.6 percent.

But having two consecutive quarters of declining output, as measured by the GNP numbers, is not the reason for saying a recession is at hand. Many analysts regard the drop in the second quarter largely as a statistical fluke.

The modest decline in the quarter just ended, however, apparently was the real thing. Nevertheless, most forecasters expect the recession to be mild.

"The U.S. economy did enter a recession, which I would date in July or August," Kathryn Eickhoff of

Reagan Confirms Recession

United Press International
WASHINGTON — President Reagan agreed Sunday that the United States is in a slight economic recession, and he said, "I hope a short one."

"I think everyone agrees on this," Mr. Reagan said. It marked the first time Mr. Reagan has confirmed the nation is in a recession.

Townsend-Greenspan, an economic consulting firm, declared at a recent conference in New York. She cited these factors:

- Initial claims for unemployment benefits, which had been running at about 400,000 a week, have climbed to more than 500,000.
- Payroll employment and hours worked both dropped in September.
- Industrial output fell in August and September.
- Purchasing agents say the level of new orders for goods is falling.

Ms. Eickhoff expects the housing and auto markets to worsen again in the current quarter — auto sales in the first 10 days of October fell 35 percent from the

year-earlier period to the lowest level since 1957 for domestic makes. Single-family housing starts are already at the lowest level for the more than two decades in which the figures have been collected.

Economists Walter W. Heller of the University of Minnesota and George L. Perry of the Brookings Institution, in a joint forecast done for the National City Bank of Minneapolis, conclude that "the U.S. economy is now sliding — or being pushed — into recession."

"The Federal Reserve's tight monetarist policy, in spite of some leeway in recent weeks, has imposed increasingly severe strains on the economy," the two economists say. "For some time, the resulting economic malady was pretty well quarantined. The major victims were autos, housing and the thrift industry. ... But now, the contagion is spreading."

Helen Junz, another Townsend-Greenspan economist, said the U.S. merchandise trade deficit will be running at an annual rate of between \$30 billion and \$60 billion by the end of 1982, and noted that some predictions place it at \$75 billion. A deficit running at a \$60-billion annual rate would slice about 1 percentage point off of the growth of real output in the United States during the next year.

Mr. Perry and Mr. Heller, the latter a former chairman of the Council of Economic Advisers, see no quick

pick-up. "Until the second-stage 10-percent tax cut takes hold in mid-1982, we foresee continued recession, or at best, sluggishness."

These bearish forecasts discount the impact of the 5-percent cut in personal income tax withholding that took effect Oct. 1.

But even the bears are not looking for a deep recession, principally because there does not seem to be a high level of business inventories that will have to be liquidated. In the past, the swing from accumulation of stocks to liquidation and then back to accumulation greatly deepened the recession phase of the business cycle but also helped spur a vigorous recovery. Without this inventory swing, the recession likely will be much milder, but so will the recovery.

The Heller-Perry forecast sees a sharp drop in activity as late as the second quarter of 1982. A recession lasting that long would mean, among other things, that the federal budget deficit for the current fiscal year would be \$75 billion instead of the \$43-billion target of the administration.

Some forecasters think unemployment will shortly be close to 8 percent.

Many are worried that with a number of major corporations financially hard pressed, an unexpected bankruptcy or two could make matters much worse.

Zapata Is Shifting Its Assets, Looking for Opportunity

By William K. Stevens
New York Times Service

HOUSTON — In 1952, George Bush, now vice president of the United States, and Hugh Liedtke, now chairman of Pennzoil, were sitting around their offices in the West Texas oil town of Midland, wondering what to name their fledgling drilling business.

They wanted something that would attract attention, something exotic, something that began with A or Z so it would be easy to find in the phone book. Marlon Brando and Anthony Quinn had just made a hit movie called "Ziva Zapata."

So Zapata it became, and the company has been attracting attention ever since. By 1966, when both Mr. Bush and Mr. Liedtke had sold their interests, Zapata had become one of the world's largest offshore drilling contractors.

Last month Occidental Petroleum offered to buy Zapata for \$745 million in stock, but Armand Hammer, Occidental's chairman, withdrew the bid after Zapata rejected it as "grossly inadequate."

Mr. Hammer said he had no intention of attempting a hostile takeover. One reason, analysts suggest, may have been that Zapata, profitable and in a position to line up sizable credit lines, is well equipped to put up a vigorous fight.

That has not always been the case. In the years after the company's founders left, Zapata enthusiastically branched out into shipping, construction, dredging and mining. By the late 1970s, it found itself saddled with a string of weak operations, return on investment as low as 1 percent and a debt that had soared to \$652 million, almost three times the value of the company's equity.

Zapata's turnaround began in 1979, following the forced departure of its chairman, William H. Flynn. The new chairman, B. John Mackin, set out to return the company to its base in the oil business by getting rid of unrelated operations.

The "touchstone of our strategy," Mr. Mackin said in an interview, is simply to "redeploy our assets to more profitable areas."

The divestitures, described by Mr. Mackin as phase one of the company's restructuring, have included the sale of Zapata's tuna fishing business for \$12 million and four oil tankers for \$90 million.

The company has also signed a letter of intent to sell its coal holdings in Pennsylvania and eastern Kentucky to subsidiaries of W.R. Grace, Hanna Mining and an affiliate of the Liberty Capital Group. The proposed purchase price has not been disclosed, but figures of more than \$100 million have been mentioned.

Mr. Mackin said phase two will be the acquisition of new businesses to reduce the cyclical nature of Zapata's earnings. His immediate concern is that the current brisk pace of oil rig construction will mean an oversupply of rigs that will lead to a slump in the drilling business by the end of next year.

"We haven't gotten to the point of determining what we're interested in and where we're going to go to find it," Mr. Mackin said. A management team is now working to set new objectives.

Mr. Mackin conceded that the resulting strategy may look like a move down the same diversification path that got the company into trouble during the late 1960s and early '70s. But he said that the problem then was not expansion

into new businesses but the nature of the businesses selected.

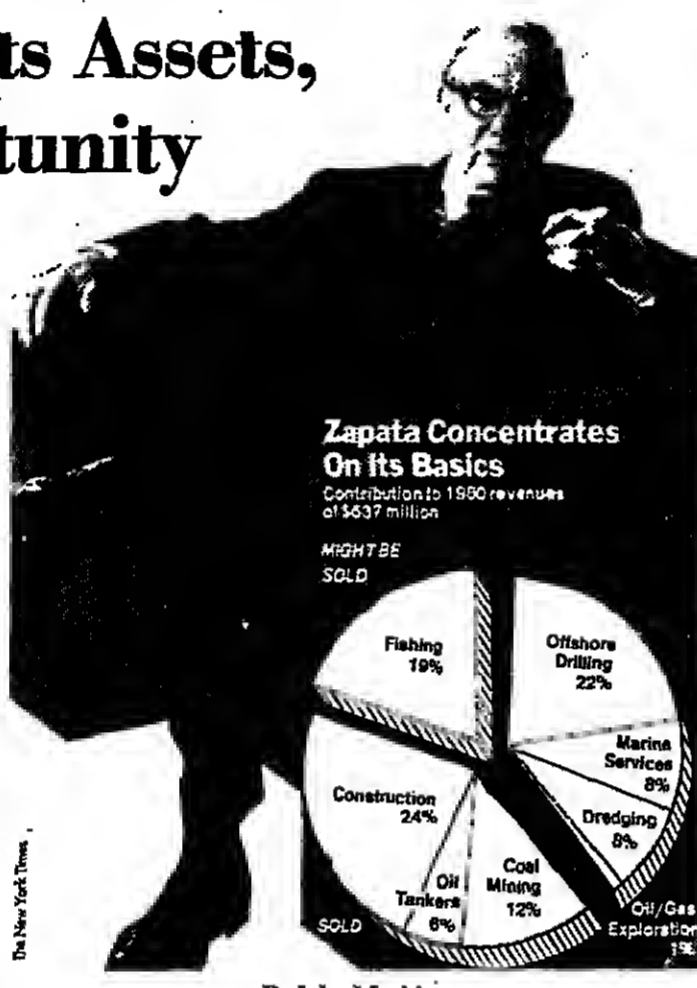
For now, four activities, all related to oil and natural gas, are the core of Zapata's operations. These activities are offshore drilling, marine support services for offshore drilling, dredging and oil and gas exploration and production. Only two activities unrelated to energy remain: A fish-processing operation and a herring and sardine cannery in Maine that is for sale.

With its divestiture program nearly complete, the company's debt has been reduced to about \$400 million while the value of its equity has increased to almost the same figure. With 19 mobile rigs scattered around the world, Zapata is the fifth-largest offshore drilling contractor in the world.

The company has only recently moved into exploration and production. "We're not a factor in that business yet," Mr. Mackin said. "But we're quite satisfied with our progress in that direction."

The corporate restructuring and the biggest oil-drilling boom in U.S. history have had a dramatic impact on Zapata's bottom line. The company's net income in the fiscal year ended Sept. 30, 1980, was \$43.6 million, or \$2.19 a share, up 103 percent from a year earlier. Last year came on a 21-percent increase in revenue to a total of \$637 million. The return on equity rose to 18 percent after having averaged 7.6 percent for the previous five years.

Results for the 1981 fiscal year,



which ended two weeks ago, will not be announced until next month, but Mr. Mackin said the report could be expected to show another "significant" gain.

George Fassar, an analyst who follows Zapata for Robert W. Baird & Co. of Milwaukee, recently said Zapata had made "extraordinary progress," that it was "well positioned to see offshore and rig marine service revenue advance dramatically in the next two years" and that its earnings momentum should continue in the 1982 fiscal year.

France Gains Tight Margins for EDF

By Carl Gewirtz
International Herald Tribune

PARIS — It was a cliffhanger. All week, the market buzzed with the rumor that France would be forced to admit defeat and humbly abandon the efforts of Electricite de France to syndicate a standby credit at the very narrow margins that France insists it is entitled to.

But late Friday lead manager Credit Lyonnais scotched the rumors — a coup for the lead manager as well as for the new Socialist government of Francois Mitterrand, which has put great efforts into establishing that the credit standing of France is as good today as it was under the previous conservative administration.

Credit Lyonnais announced that the credit, to be used as a backup line for commercial paper EDF will sell in New York, is fully underwritten and will now move into general syndication with little change from the terms initially indicated. The amount — \$500 million — is at the smaller end of the targeted goal, and the commitment fee EDF will pay banks for standing ready to lend it the money will total a quarter percent instead of the 3/16 percent initially offered.

The underwriters include Algemeene Bank Nederland, Bank of Tokyo, Credit Agricole, Credit Lyonnais and Long Term Credit Bank of Japan. If a sixth underwriter had been found, the amount would have totaled \$600 million. Credit Lyonnais officials do not rule out the possibility of being able to increase the size once the credit goes into syndication next week — a view that other bankers consider wildly optimistic.

If drawn, EDF will pay 0.3 point over the London interbank offered rate for the first three years, 0.4 point over for the next four years and 0.5 point for the final three years. This works out to an effective yield to the lenders of 0.41 point over Libor — a level that bankers insist is not profitable for them.

In addition, a widely held view in the market is that France needs to pay more for money than it did up to now: Its international debt is growing and likely to continue to expand, given the government's emphasis on fighting unemployment rather than inflation.

With France now having won its point, bankers argue that it would be a mistake for the government to go on insisting that its lending terms be maintained in future operations. A total failure — which they say was perilously close in the EDF operation — would be a worse embarrassment than acknowledging that conditions in the Euro market as well as in France have changed.

The government in fact may shift the focus of its borrowing to

the bond market, where Banque Francaise du Commerce Extérieur just scored a resounding success and where therefore the government can more comfortably claim prime terms. (For details, see the accompanying article on the Euro-bond market.)

The difficulty for France, as well as many other European states, is that Indonesia and Malaysia currently are syndicating loans at 3/4 point over Libor for 10 years — terms traditionally accorded only to the most credit-worthy industrialized states.

While Indonesia's and Malaysia's terms are not quite as generous as they seem — the less visible commissions and front-end fees are higher than France, for example, is willing to pay — the fact is that banks are using the very attractive loan terms as a way to win favor for other, more profitable, business in what is universally regarded as high growth markets.

Denmark is trying to come to grips with this situation, with no success so far. Last March, it borrowed \$600 million for eight years at a split margin of 3/4 for the first five years and half a point over Libor thereafter. Those terms were very tight for a country as heavily indebted as Denmark, and marketing that loan was extremely difficult.

Now, Denmark is seeking up to \$500 million in either a 10-year loan with the three-eighths portion running for six years or an eight-year loan with terms identical to the March loan but with lower fees. A potential syndicate of 10 banks is still haggling with the Danes over the terms.

Adding fuel to this debate is news that South Korea, which last year paid 3/4 point over Libor for seven-year money, has just achieved a new low in its borrowing costs. Korea Development Bank is raising \$500 million for eight years, paying half a point over Libor for the first four years and 3/4 point thereafter.

South Korea's lowest previous rate was a flat 3/4 point over Libor for eight years. At the new level, South Korea pays less to borrow in

the Euro market than Italy does.

SIP, the Italian state telephone authority, is raising \$150 million for eight years at 1/4 point over Libor for the first two years and 3/4 point thereafter. AGIF Nucleare, a subsidiary of Italy's state energy holding company ENI, is raising \$100 million for eight years at 3/4 point over Libor for the first five years and 1/2 point over Libor thereafter.

The very finest terms, as usual, are reserved for New Zealand. Government-owned Petrocorp, borrowing for the first time under its own name without any explicit state guarantee, is refinancing a loan taken out two years ago by its Offshore Mining subsidiary.

The \$500-million loan is divided equally into a five- and 10-year loan. The margin on the five-year portion starts at 1/4 point over Libor for the first three years and rises to 0.35 point for the remainder. The margin on the 10-year loan starts at 1/4 point over Libor for the first year, rises to 0.35 point for the following four years and finishes at 0.45 point over Libor for the remainder.

U.S. utilities are making increasing use of the Euro market, having discovered that the margin they pay over Libor is a much cheaper cost than the margin they pay over the prime rate of domestic U.S. banks. Not surprisingly, U.S. commercial banks, reluctant to undermine their own domestic loan pricing structure, are not parties to these operations — leaving the business to U.S. investment banks, which play a very small role in the syndicated loan market.

Currently Union Electric of St. Louis, Mo., is seeking \$40 million for three years at 3/4 point over Libor and an easy half-dozen other utility loans are said to be in preparation.

While bankers await details on Venezuela's medium-term funding plans, Banco Industrial is in the market for \$300 million for four years, offering a margin of 1/4 point over Libor. At the same time, Venezuela's public housing agency, Instituto Nacional de la Vivienda, is raising \$160 million in a one-year credit at 3/4 point over Libor, and Ca. Nacional Telefonos de Venezuela is raising \$237 million in a one-year credit at the same terms.

From the Mideast, the Emirate of Sharjah is raising \$300 million for six years. Details on the terms could not be learned.

SYNDICATED LOANS

As well as for the new Socialist government of Francois Mitterrand, which has put great efforts into establishing that the credit standing of France is as good today as it was under the previous conservative administration.

CURRENCY RATES

Interbank exchange rates for Oct. 16 1981, excluding bank service charges.

	S	£	D.M.	F.F.	ItL.	Ghs.	B.F.	S.F.	D.K.
Amsterdam	2.475	4.229	110.45	441.2	0.396	—	6.999	331.92	34.395
Bombay	24.75	48.26	162.15	609.2	N.A.	1.521	—	20.86	5.2
Frankfurt	2.474	4.13	—	39.8	1.985	—	93.75	119.48	21.5
London (D)	1.8712	—	—	4.992	10.317	2.1737	4.58	69.2	3.497
Madrid	139.92	238.89	331.49	211.98	—	—	481.48	31.827	162.8
New York	—	1.045	0.476	0.178	0.041	—	0.044	0.263	0.387
Paris	5.46	10.25	290.9	—	4.722	—	22.87	14.9	29.76
Zurich	1.8775	3.464	82.79	33.95	0.157	—	73.05	—	28.8
ECU	1.9665	0.924	2.647	0.192	1.2931	—	2.092	40.548	2.044

	Per	Per	Per	Per	Per			
Switzerland	1.144	Australia	0.827	Israel	1.679	Singapore	2.088	
Spain	0.024	Australia	1.571	Japan	226.40	S. Africa	0.954	
Sweden	0.025	Belgium	40.2	Korea	2.265	S. Korea	68.88	
Switzerland	0.813	Canada	1.209	Malaysia	1.235	Sweden	95.85	
Denmark	0.198	Danish	7.205	Norway	5.94	Switzerland	5.5275	
Finland	0.221	Finland	4.403	N.A.	0.254	Taiwan	37.45	
Green	0.178	Hong Kong	0.133	2.926	South Africa	1.415	Thailand	27.75
N.A.	—	Irish	—	N.A.	—	U.A.E.	—	

(\$ Sterling; 1:10 francs.)
(*) Commercial franc. (b) Amounts needed to buy one pound. (c) Units of 100. (d) Units of 1,000.

Kaufman Put Damper on Bonds

By Carl Gewirtz
International Herald Tribune

PARIS — Henry Kaufman knocked the coproduct out of the bond markets last week, reaffirming his view that while interest rates may be softening the downward trend will be short-lived.

This represents no change in how the Salomon Brothers economist sees the future. But the reiteration had a dampening effect, especially as rumors had begun circulating that Mr. Kaufman was on the verge of recanting his negative outlook.

Nevertheless, a substantial volume of new issues was marketed. The only difference was that investors were rather selective about what they bought and how they went about it.

"No one was chasing after paper," as one banker put it.

But investors believe that however much higher interest rates may rise, current bond yields will prove to be a wise investment when rates finally decline over the

next few years — as surely they must.

Widely touted as the success of the week was the French government's first foray into the market since the Socialists took over last

state entity which has never tapped the international market.

Outside France, however, BFCE's success is seen as having less to do with the name of the borrower than with the fact that the warrants are deemed to be very attractive. The theory is that while interest rates may yet set a peak, such high rates cannot be sustained indefinitely and therefore the right to purchase at par bonds bearing a coupon of 16 percent within the next year is bound to be lucrative.

That this is the way the market views the BFCE issue is shown by the performance in the secondary market. The BFCE bonds without the warrants are trading at 97 1/2, putting the yield at 15.88 percent — nearer the top end of those currently offered instead of at the bottom. The warrants themselves are trading at \$15 to \$17 each. The package of bonds with warrants is trading at par, slightly less than the sum of the individual parts —

(Continued on Page 11, Col. 5)

EUROBONDS

May. Banque Francaise du Commerce Extérieur hit the market for \$75 million of five-year paper bearing a coupon of 16 percent and two warrants to buy two additional bonds over the next 12 months. The issue was a sellout and the amount of the offering was increased to \$100 million. Of particular note is the fact that the coupon is the lowest of any issue currently on offer.

Less universal is the analysis of what this means. The French see the success as evidence of the market's high regard for French signatures and are already set to launch a new issue with Credit Commercial de France acting as lead manager. The borrower is described as a

Iraqi Air Raid Appears To End Iran Oil Export

BAHRAIN — Iran's ability to export even a modest amount of oil in the months to come is in doubt following an Iraqi air raid last month, the authoritative Middle East Economic Survey reported Sunday.

Iran had been unable to pump oil to its main loading terminal at Kharg island in the Gulf since the raid on Sept. 30 on the vital Gurrah pumping station, the Nicosia-based oil newsletter said. Its source in the Gulf believed that damage during the raid was heavy and could take months or even a year to repair.

Gold Fixing at the Luxembourg Stock Exchange Daily at 10:30 a.m. local time

For your convenience, gold fixing "à la carte": in US\$ per ounce troy fine and in Francs per kilogram bar. Business is brisk and more than twenty members of the Luxembourg Stock Exchange now actively concur in making Luxembourg one of the leading no problem markets for gold buying and selling.

The five banks listed opposite co-operate to promote the development of the Luxembourg Gold Market. Their highly specialised staff are at your disposal for information and trading at the best terms. Call them now!

- Banque Internationale à Luxembourg Phone 4791-680 Telex 3626
- Banque Nationale de Paris (Luxembourg) Phone 47641 Telex 2228
- Caisse d'Epargne de l'Etat Phone 29851 Telex 2287
- Dresdner Bank International Phone 42816 Telex 2302-08
- Kredietbank S.A. Luxembourgeoise Phone 47971 Telex 3418

A brochure on the Luxembourg Gold Fixing is available on request. Ask for it.

NEW ISSUE These securities having been sold, this announcement appears as a matter of record only.

USD 125,000,000

Banque Française du Commerce Extérieur

Guaranteed Floating Rate Notes Due 1988
Unconditionally guaranteed by
The Republic of France

Sumitomo Finance International	Banque Nationale de Paris
Asia Pacific Capital Corporation Limited	Bank of Tokyo International Limited
Credit Lyonnais	Credit Suisse First Boston Limited
Dai-ichi Kangyo International Limited	The Development Bank of Singapore Limited
Fuji International Finance Limited	IBJ International Limited
Manufacturers Hanover Limited	Mitsubishi Bank (Europe) S.A.
Morgan Stanley International	Nippon Credit International (HK) Limited
Nomura International Limited	Salomon Brothers International
Sanwa Bank (Underwriters) Limited	Société Générale

International Bond Prices - Week of Oct. 15

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of international bond prices with columns for Amt, Security, % Mat, Mktg Price, Yield, and various other metrics. Includes sub-sections for EUROPEAN INSTITUTIONS, JAPAN, and AUSTRALIA.

Table of convertible bonds with columns for Amt, Security, % Mat, Mktg Price, Yield, and various other metrics. Includes sub-sections for EUROPE and UNITED STATES AMERICA.

Table of Chicago Exchange Options for the week ending Oct. 16, 1981, with columns for Option & price, Calls, and Puts.

Advertisement for General Motors Acceptance Corporation of Canada, Limited, featuring \$60,000,000 in 18% Notes Due October 1, 1987. Lists various international banks and financial institutions.

Advertisement for Tenneco International N.V. featuring \$100,000,000 in 17% Guaranteed Notes Due October 1, 1989. Lists various international banks and financial institutions.

الجمهورية العربية السورية

Gold-Backed Dollars: Where to Invest Them

By Kenneth B. Noble

New York Times Service
NEW YORK — You have a hunch that the Reagan administration will return to the gold standard. You might be in a tiny minority, but as an investor, you know that big rewards, not to mention big losses, can go to those who put their money where their hunches are. So, allowing for your stout-hearted disposition and your belief that the United States will swing to gold, where should you put your money?
 Above all, you bet against inflation. Under a gold-based system, the government would agree to exchange a specified amount of gold for dollars at a fixed price. This linkage, say the proponents of a gold standard, would bring rigid discipline to the money supply by discouraging the government from printing ever more dollars to pay ever-rising debts. In time, inflation and interest rates would plunge and then stabilize.

Whether gold enthusiasts will eventually prevail depends largely on the president, who can start the process by reopening the "gold window" for foreign central banks through an executive order. (Congress, however, would have to enact legislation to return the country to the gold standard.)
 Mr. Reagan, who as a candidate urged reinstitution of the gold standard but who has been less vocal on the issue since, appointed a commission in August to study some way of linking gold to the dollar. He has indicated that he would wait for its findings — due by March, 1982 — before taking any action.

The gold standard was suspended in the United States in 1933, mainly because of worldwide depression. In 1944, gold was pegged to the dollar and the dollar to other currencies, with the United States pledging to exchange gold for dollars with foreign central banks at the so-called gold window. Then in 1971, President Nixon, faced with persistent demands by foreign central banks, shut the gold window.

Investment Key

The key to investing in anticipation of a gold standard is to find investments that will flourish as the economy deflates. "What the market has been doing for the past few years is buying inflationary hedge stocks — assets in the ground, trees, real estate, and so on," said James Balog, senior executive vice president of Drexel Burnham Lambert. "With a return to the gold standard, one would look for the things that were hurt in the process of inflation, and the thing that stands out is longer-term bonds."

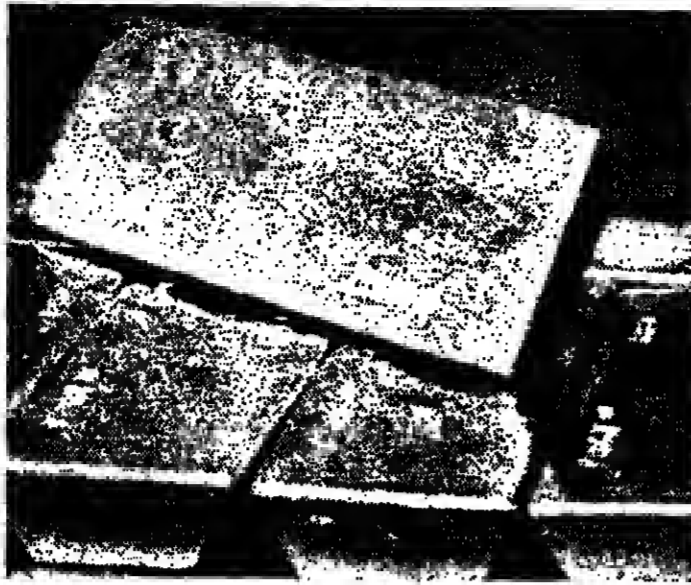
So, assuming that reinstituting the gold standard succeeds in curbing inflation, and short-term

interest rates return to their roughly equivalent historical correlation with inflation — requiring a drop of about eight percentage points — analysts would predict a healthy drop in long-term bond yields and a rebound in their prices.

"If in the future you could get 13 percent, tax-free yield, then that's like 26 percent after taxes, and long-term bonds would be outstanding values," explained David Drexler, managing director of Drexler, Gray & King, an investment counseling concern. "I would certainly go out and buy some at these prices."
 The outlook for stocks, however, might not be so promising. If the money supply were defined by a fixed amount of gold, and deflation resulted, corporate earnings could tumble, and stock prices could follow. But most gold standard advocates reject this scenario. They believe that a return to the gold standard would generate more private savings and investment, and ultimately lift equity prices.

Either way, if the gold standard came back, Mr. Balog would recommend pure growth stocks — "stocks where the actual volume of output is growing as opposed to the price." High technology companies would be very attractive, he said. He is also optimistic about interest-sensitive concerns such as banks and the new financial service conglomerates.

He also sees potential plays in the currency markets for the wealthy investor. "I would say that other currencies would tend to be



overvalued so there would be realignments where an investor could make money by shorting other currencies and buying the U.S. dollar long," he said.

Investments to avoid in a deflationary environment would be those tangibles that were collected as inflation hedges in recent years — from real estate to fine art. With an outlook for lower inflation, or even declines in the price of some goods, investment in all tangible assets might be reconsidered.
 "The rule of thumb for an investor, assuming less inflation in the future, is that anything tangible is overvalued, and that includes oil properties and real estate, particularly in speculative areas like California," said David M. Jones, an economist for Aubrey G. Lanston & Co. His, too, would favor bank stocks, and such recession-proof stocks as those of drug companies, utilities and food concerns. And

money funds, he said, would be a place for the assets that had been in collectibles and real estate.

"A good idea would be to put your money in bank stocks or any other lending-institution stocks," Mr. Jones said, "because suddenly they will find profits after being severely impaired by excessive inflation, monetary expansion and the sort of conditions that serve as the opposite of the gold standard. Any institution that is essentially borrowing short and lending slightly longer would benefit greatly. To put it another way, the lender would now benefit relative to the buyer."

Traders' Reactions

Until President Nixon closed the gold window, the Treasury's official price was \$35 an ounce. Three years later, the right of Americans to own gold, suspended since the 1930s, was restored. Since then, world market prices have fluctuated wildly, reaching their peak of \$850 in January, 1980. Gold now trades for about \$450 an ounce.

An administration announcement that the gold standard would be restored would likely lift the volume of trading in gold. As the theory goes, the market price at which gold ultimately settles would be used as the benchmark for the final fixing of the official price. After that, there would be little point in trading, say gold advocates, because, at a fixed price, gold could lose its speculative appeal.

For the estimated 5 million to 10 million Americans who hold gold coins or bullion, the official price would be crucial. Some gold standard proponents have suggested that a price between \$200 and \$300 an ounce might be plausible.

Others, such as Charles Stahl, publisher of Green's Commodity Market Comments, a gold journal, are more skeptical. "If the United States announced today that we are going on a gold standard six months from today, the price of gold will shoot up — I'm willing to bet it will surpass by far the crazy high of \$850 in January of 1980," he said.

Comment by Kaufman Put Damper on Bonds

(Continued from Page 9)

a function no doubt of the speculative element that the warrants offer on minimal cash outlay.

BFCE's coupon of 16 percent compares favorably with the 16.6 percent General Motors Acceptance Corp. paid for three-year money, and while British Columbia Hydro is offering 16 1/2 percent for seven-year money, that issue is moving very slowly.

The GMAC issue, priced at 99 1/2 bearing a coupon of 16 1/2 percent, was increased from \$150 million to \$225 million and finally to \$300 million. Dealers said that this was about \$25 million too much for the market to bear as the paper ended the week at 98 1/2 bid-99 offered.

BC Hydro's \$100 million seven-year bonds, guaranteed by British Columbia, was priced at par in the euphoria prevailing before Mr. Kaufman's comments and suffered subsequently. Estimates in the marketplace put subscription for the issue at about \$20 million, but lead manager Deutsche Bank said that such comments were nonsense as demand from its own clients exceeded that amount. BC Hydro ended the week quoted on a when-issued basis at 98 1/2.

A \$75-million issue for Ireland was another victim of the Kaufman comments. Bearing a coupon of 16 1/2 percent and priced at 99 1/2 to yield 16.55 percent — terms which were already anticipating a strong rally in the bond market — Ireland's seven-year paper elicited little demand and ended the week at 97.

Ohio Edison's seven-year issue, priced at 99 1/2 bearing a coupon of 17 1/2 percent to yield 17.56 percent, was increased \$25 million to \$75 million and ended the week quoted at 98 1/2-99 1/4.

Ohio's issue was one of the few to be marketed in the classic fashion — final terms set in light of market response. Virtually all of the others were priced with a syndicate of managers deciding among themselves what price and coupon they were willing to accept before testing the response of investors.

Another exception was a \$75-million issue for Pemex, Mexico's state oil agency. These five-year notes were priced at par late Friday, bearing a coupon of 17 1/2 percent.

With a fair amount of BC Hydro and Irish paper remaining to be placed and with bankers unsure how the market will react to the large — albeit expected — increase in the U.S. money supply announced late Friday, no new fixed-rate dollar issues have been scheduled.

By contrast, floating-rate notes, which offer investors maximum protection against the vagaries of short-term interest rates, continue to be offered.

A new wrinkle on this formula is being introduced by Orion Royal Bank for Oesterreichische Kontrollbank, which is selling \$100 million of five-year floating-rate

deposit notes — combining the features of a six-month certificate of deposit with a five-year floating-rate note. Investors are offered the option of requiring OKB to repurchase the notes at par at the end of each six-month interest payment period and OKB reserves the right to resell such notes if it can. It also intends to issue a further \$100 million of such notes, but the timing of that remains unspecified.

The notes, guaranteed by Austria, are intended for institutional investors, with minimum denominations set at \$1 million. The rate of interest will be set at a quarter-point below the bid rate for six-month Eurodollars.

6-Month CD Rates

Traditionally, interest on floating-rate notes are set at a quarter-point over the offered rate, or, for top banks, at the bid rate. (Generally, there is an eighth of a point difference between bid and offered rates.)

The object of the OKB transaction is to sell five years' worth of six-month paper at a rate of interest comparable to what top banks pay for six-month certificates of deposit. Top U.S. banks sell six-month CDs at about a half-point below the six-month bid rate.

Orion, in conjunction with European Banking and Manufacturers Hanover, are not underwriting the transaction but will endeavor to place the notes as dealer-managers. While the coupon will be set at a quarter-point below the bid rate, the selling price remains to be negotiated.

Thus, the notes could be sold at a discount so that the effective yield to investors was equal to the six-month bid rate, for example. It remains for OKB to decide at what price it sells the paper depending on the advice of the dealer-managers. The expectation is that as a credible secondary market for these listed notes develops, OKB will be able to sell paper at a quarter-point below the bid rate, but that until that happens it will be forced to offer slightly sweeter terms to develop the market.

Mexican Bank Issue

Meanwhile, Oesterreichische Volksbank is offering \$25 million of classic FRNs with the interest on the eight-year notes set at a quarter-point over the six-month offered rate. It guarantees a minimum coupon of 5 1/2 percent.

Nacional Financiera, Mexico's national development bank, is selling \$150 million of nine-year notes with interest set at a quarter-point over the six-month offered rate. Investors have the option to redeem the notes at par at the end of the third or the sixth year. A 1-percent premium will be paid to those who hold the notes to final maturity with redemption of each \$1,000 note set at \$1,010.

Bank of Montreal increased to \$125 million from \$100 million initially indicated its 10-year issue of FRNs. Interest will be set at 7/8

point over the offered rate with a minimum coupon of 5 1/2 percent guaranteed.

In the convertible sector, Wal-Mart International Finance is seeking \$30 million through a 15-year issue that will be convertible into the shares of Wal-Mart Stores at an anticipated 10-to-12 percent premium over the current New York Stock Exchange quote. A coupon of 8 1/2 percent is indicated. The issue is reported to be selling very slowly — not surprising in light of the performance of stock markets worldwide.

The Deutsche mark sector of the bond market was set back last week as domestic interest rates crept up a notch when four-year Post Office paper was sold to yield 10.48 percent compared to the 10 percent paid a week earlier by the government.

Demand for DM Eurobonds turned sluggish and prices eased up to a point. The recent 10 1/2-percent issues for the Council of Europe and Swedish Export Credit, both priced at par, quoted at 99-99 1/2.

Currently on offer is 100 million DM for the Mortgage Bank of Denmark. The 10-year issue bears a coupon of 10 1/2 percent. The price, currently expected to be at a discount from par, will be set early next month.

The issue scheduled by Deutsche Bank for a non-European industrial corporation (rumored

to be Ford) has been postponed, presumably because the borrower expects to be able to pay a lower coupon by waiting a bit.

There will be no further EuroDM issues until the November calendar is set by the capital market subcommittee, which meets Oct. 26.

Elsewhere, the World Bank is expected to offer 100 million Norwegian kroner of five-year notes bearing a coupon of 12 1/2-13 percent.

In the Canadian dollar sector of the market, Hudson's Bay sold only 40 million dollars of its intended 60-million-dollar issue at par bearing a coupon of 18 percent and announced that the remainder of the six-year notes may be sold at a price to be determined by market conditions up until next Feb. 3.

Eurobond Yields*	
Week Ended Oct. 14 (U.S. Dollars)	
International institutions	15.34 %
Industrials, long term	15.68 %
Industrials, medium term	16.44 %
Canadian dollars, medium term	17.30 %
French fr. medium term	17.84 %
Unit of acc. long term	11.53 %
* Calculated by Luxembourg Stock Exchange	

Market Turnover		
Week Ended Oct. 16 (Millions of U.S. Dollars)		
Total	4,977.3	3,967.2
Cedel	5,915.3	5,546.3
Eurocl.		369.0

Tin Prices Are Raised 6.85%

Reuters
KUALA LUMPUR — The world's major tin producers and consumers have agreed to a price increase of nearly 7 percent after three days of tough bargaining, delegates at an International Tin Council meeting said Saturday.

The producers — Malaysia, Thailand, Indonesia, Bolivia, Zaire, Nigeria and Australia — had originally pressed for a 12.5-percent increase, but agreed Saturday to compromise at 6.85 percent, the delegates said.

The consumers' initial offer was a 4.5-percent increase. The agreement raises the price band for the International Tin Agreement (ITA), which aims to stabilize prices within a fixed range by sales and purchases from a central buffer stock.

Some Dissatisfaction

Delegates said that the seven producers and 22 other nations represented were not all pleased with the outcome. The European Economic Community, collectively the largest consumer, remained divided on the scale of the increase.

The United States, the largest consumer, cast a cloud over the meeting here by announcing recently that it was opting out of the sixth ITA, which goes into effect when the current pact expires next June. In December, Common Market countries debate whether to join the sixth agreement.

Several delegates estimated that any increase of more than 7 percent would have allowed speculators to unload, at a profit, 8,000 to 12,000 metric tons of tin piled up before this week's conference.

Consumer delegates said that two traders, one in London and one in the United States, were behind the wave of buying, but the identity of their financiers remained unknown.

Among EEC states, West Germany and Britain wanted assurances that if a 6.85-percent rise were approved, producers would not seek further increases at ITC meetings in January and March next year, informed sources said. Delegates noted, however, that there were no preconditions in the agreement, which took effect immediately.



Arab stallions are famous all over the world for their strength, speed, and intelligence.

ARIG-bringing a new capability to international reinsurance

The official launch of Arab Insurance Group (B.S.C.) in Manama, Bahrain, on 17th October, marks a major development in the international reinsurance industry.

The formation of ARIG is the result of Arab business tradition and entrepreneurial skills. It is a significant event in the commercial history of the Arabian Gulf region and a logical step in the full development of Arab financial interests.

At present we are writing treaty and

facultative business with international reinsurance and insurance organisations. In the future, we envisage taking a more active role in writing different classes of insurance through an international network of representation.

ARIG, based in Bahrain, has an authorised capital of US\$3,000 million of which US\$150 million is paid up.

ARIG is bound to bring a new

dimension to the industry, not only in the Middle East, but throughout the world.

For further information and a copy of the ARIG brochure, please contact: Arab Insurance Group (B.S.C.), Alia Commercial Centre, Diplomatic Area, P.O. Box 26992, Manama, Bahrain. Telex: 9395 BN, 9396 BN. Telephone: 231110.



الجمهورية العربية السورية للتأمين (ش.م.ب.)
ARAB INSURANCE GROUP (B.S.C.)

International Bond Prices - Week of Oct. 15

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of International Bond Prices with columns for Am, Security, Middle Price, Conv. Pct, Conv. Yld, and Curr. Yld. Includes sub-sections for 'HIGHEST CURRENT YIELDS' and 'Explanation of Symbols'.

Over-the-Counter

Table of Over-the-Counter securities with columns for Am, Security, High, Low, Last, and Net. Includes a note about the National Association of Securities Dealers.

Over-the-Counter

Table of Over-the-Counter securities with columns for Am, Security, High, Low, Last, and Net. Includes a note about the National Association of Securities Dealers.

HIGHEST CURRENT YIELDS

Table listing securities with the highest current yields, including columns for Am, Security, and Yield.

Explanation of Symbols

Key for symbols used in the bond tables, such as 'Am' for American, 'Eur' for European, etc.

COMING IN NOVEMBER

Commodities

Text describing the commodities supplement, including contact information for Mr. Peter Bullock.

THE NMB BANK NOW ALSO IN GENÈVE.

NMB BANK NEDERLANDSCHE MIDDENSTANDBANK (SUISSE) S.A. 6, Rue Petitot, Case Postale 59, 1211 Genève 11, CCP 12-6787, téléphone (022) 216333, télex: 422299/422832 CH.

Advertisement for Credit Suisse Gold Certificates, featuring the text 'Credit Suisse Gold Certificates. As Valuable as Pure Gold.' and details about the investment product.

Gold Options table with columns for Price, No., and Vol.

Valueur White Weld S.A. and IIF INTERNATIONAL INCOME FUND advertisement.

John Koles

Over-the-Counter

Table of Over-the-Counter stock prices with columns for stock name, bid, ask, and change.

Table of Consolidated Trading of AMEX Listings with columns for stock name, bid, ask, and change.

Table of Consolidated Trading of NYSE Listings with columns for stock name, bid, ask, and change.

Selected College Football Results

Table of college football game results including team names, scores, and locations.

NHL Standings

Table of NHL team standings for the Wales Conference and Adams Division.

CFL Standings

Table of CFL team standings for the Eastern and Western Divisions.

NBA Exhibition

Table of NBA exhibition game results.

Italy, Yugoslavia Tie, 1-1

Article snippet about the soccer match between Italy and Yugoslavia.

More Sports On Page 15

Mutual Funds

Large table of mutual fund data including fund names, bid/ask prices, and performance metrics.

Krediet Index

Table of credit index data for various countries and regions.

Consolidated Trading of NYSE Listings

Table of consolidated trading data for NYSE listings.

American Exchange Options

Table of American exchange options data for the week ending Oct 16, 1981.

Advertisement for BAXTER TRAVENOL International Capital Corporation, mentioning convertible preferred stock.

Advertisement for UNITED OVERSEAS BANK, Banque Unie pour les Pays d'Outre-Mer, with contact information for Geneva.

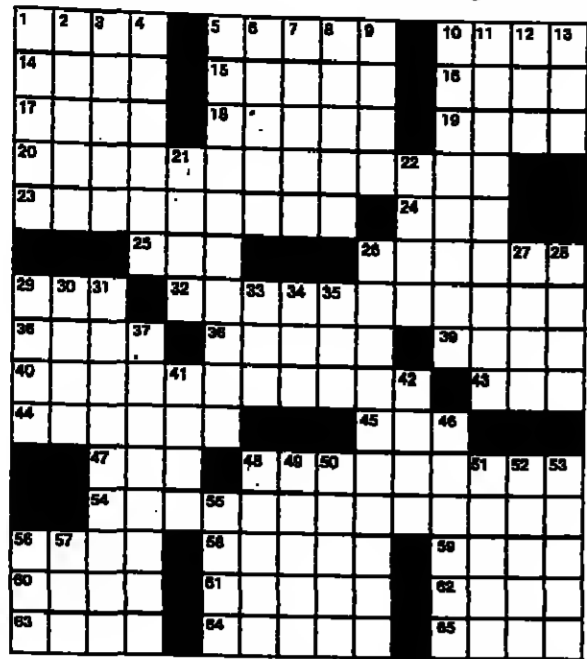
Advertisement for SOCIÉTÉ GÉNÉRALE, Floating Rate Notes Due 1991.

Advertisement for COLLEGE DEGREE, offering a diploma for life.

Large advertisement for ESCORTS & GUIDES, featuring classified advertisements for various services like LONDON, ZURICH, and AMSTERDAM.

CROSSWORD

By Eugene T. Maleska



- ACROSS: 1 Froth, 5 Young oysters, 18 Platform, 14 Writer, 15 Bones, 16 Corresponding to fibulae, 17 Nothing in, 18 Phipkins' cousins, 19 Maculation, 20 Lust, 21 Exalts, 22 Constellation, 23 D.C. body, 24 Come forth, 25 Unit of pain, 32 Torpid state during the hot season, 36 Ditto, 38 Electron tube, 39 Noted Danish composer, 40 Mom-and-Pop place, perhaps, 43 Muffin, 44 Privileged convict, 45 Certain drs., 47 Cologne-to-Trier, 48 With an amused expression, 54 Shrewd, 56 City on the Wabash, 58 Cloth pattern, 59 The Danube, in Hungary, 60 Pity!, 61 — Simple, 62 Nervous, 63 Breed of terrier, 64 Foments, 65 Make an incised mark, 21 Bear up in the skies, 22 Rottentrot, 26 — National Park, Fla., 27 Start of a Mitchell title, 28 City of Judah, 29 Gossip, 30 Baltic leader, 31 Cleric's exhortation, 33 Sibling, for short, 34 Add (up), 35 Words to a J.P., 37 Rubdown expert, 41 Roman route, 42 Heroic, 46 Duke of diamond fame, 48 Take it on the lam, 49 Orange Bowl locale, 50 More frigid, 51 Dutch cheese, 52 Shin-diers' gear, for short, 53 Belgian composer-conductor, 55 Resorts, 56 Ballet step, 57 Wearer of a tooth

WEATHER

Table with columns for High, Low, and conditions for various cities including ALBUQUERQUE, ALBANY, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BEIRUT, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA DEL SOL, DAMASCUS, DUBLIN, EDINBURGH, FLORENCE, GENEVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES, MADRID, MANILA, MEXICO CITY, MIAMI, MILAN, MONTREAL, MOSCOW, MUNICH, NAIROBI, NASSAU, NEW DELHI, NEW YORK, NICE, OSLO, PARIS, PEKING, PRAGUE, RIO DE JANEIRO, ROME, SALISBURY, SAO PAULO, SEOUL, SHANGHAI, SINGAPORE, SINGAPORE, SYDNEY, TAIPEI, TEL AVIV, TOKYO, TUNIS, VENICE, VIENNA, WARSAW, WASHINGTON, WURICH.



The Character of Aquascutum Classic British coats at their best. In fine shops throughout Europe. Aquascutum 100 REGENT STREET LONDON

ASK FOR IT EVERY DAY. EVERYWHERE YOU GO. International Herald Tribune We've got news for you.



JUMBLE THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee. Includes words like SOBAS, ALUVE, VISTEN, REBURB and a cartoon illustration.

DENNIS THE MENACE cartoon by Kathleen. Includes the text 'BUT YA DONT NEED CLOTHES WHEN YOU'RE ON THE WAPPAH!'.

BOOKS

THE HISTORY OF AMERICAN WARS From Colonial Times to World War I By T. Harry Williams. 435 pp. \$20. Alfred A. Knopf, 201 East 52nd St. New York 10022.

Reviewed by Kenneth Friedenreich. FEWER histories end on so happy a note. T. Harry Williams surveys the international scene after World War I and declares the United States winner.

Where professional historians might rightly contest some of Williams' generalizations, the casual reader, for whom this work seems intended, benefits. The book's strength is its sweep of narrative. We see the United States born of war in the earliest colonial skirmishes with Indians.

War Extends Policy. This is a worthy book. Inevitably, though, amid the body counts and strategy, war loses its human face. For that face, we must look to poets. Moreover, the most disturbing aspect of this history emerges from its thesis. Many American triumphs at war occur despite its leaders' and people's ignorance that war extends policy to meet political objectives.

CHESS

By Robert Byrne

MERANO, Italy — Anatoly Karpov of the Soviet Union, the world chess champion, and Viktor Korchnoi of Switzerland, the challenger, drew the seventh game of their title match in 31 moves here in the Kurzentrum on Saturday night.

Karpov retained his lead of three victories to one. This was the third draw in a contest in which draws do not count. The prize of 500,000 Swiss francs (about \$260,000) will go to the winner of six games.

Korchnoi approached this seventh game in a nervous mood, according to his second, grandmaster Michael Stean of Britain. Saturday was the third anniversary of the final game of their previous match in Baguio City, the Philippines, the game that enabled Karpov, 30, to retain the championship.

In that 1978 game, the 32d of the title series, Korchnoi had gambled on a surprise Pirc Defense that had backfired and led to his defeat. His advisers had not wanted him to play aggressively because they felt that Karpov was exhausted and would have collapsed against safe play in a few more games.

RADIO NEWSCASTS

BBC WORLD SERVICE table with columns for Western Europe, Middle East, East Africa, South Asia, East Asia, and Pacific.

VOICE OF AMERICA

Table with columns for Western Europe, Middle East, East Africa, South Asia, East Asia, and Pacific.

RADIO CANADA INTERNATIONAL

Table with columns for Western Europe, Middle East, East Africa, South Asia, East Asia, and Pacific.

Hooton's Pitching Keeps Dodgers Alive

Los Angeles Outlasts Montreal, 7-1, After Expos Triumph in Game 3

By Mark Heisler
Los Angeles Times Service

MONTREAL — The Quebecois sat poised for the moment, 54,459 strong and the rest of the Canadian province watching on television, singing their hating songs, drinking their beer, waiting for the first Expo baseball pennant that had to be just minutes away. And unromantic Burt Hooton took it all away from them.

He outlasted them all, the fans, the Expos and his Dodger teammates who were in the process of turning the runner-left-on-base into an art form. He won finally, 7-1, after Steve Garvey broke the tie with a two-run, eighth-inning homer, and the Dodgers had dodged the bullet again. For the fourth time in eight days, they had had to win or go on vacation and they had won.

On Friday, Steve Rogers pitched a seven-hitter and Jerry White backed him with a three-run homer to give the Expos a 4-1 triumph. Rogers worked in and out of trouble before settling down in the later innings in a game that began in 46-degree (8 degrees Celsius) weather. Jerry Reuss, who

had not allowed a run in his previous two 1981 post-season starts, took the loss.

Saturday's victory tied the National League championship series at two games apiece and sent the two teams into Sunday's deciding fifth game — Fernando Valenzuela vs. Ray Burris. Valenzuela beat the Expos twice in the regular season, including once on a three-hit shut-out, and compiled a 1.50 ERA against them.

"There's nothing particularly outstanding about him except he's a rookie and gets all that publicity and all," the Expos' Andre Dawson said after Game Two of this series, in which the Expos beat Valenzuela, 3-0. That's how deep the mutual respect between these great teams runs now.

Hooton went 7 1/3 innings Saturday and allowed an unearned run. He has not given up an earned run in 18 1/3 innings and only one in 18 2/3 post-season play. He is 3-0 in the playoffs, and the Dodgers have only won five games. Of the four games that could have ended the Dodger season, Hooton has won two.

And when this one was over, his teammates were in their clubhouse, roaring the Quebecois' favorite hating song, The Happy Wanderer, complete with its laughing chorus. Hooton just conducted his interviews quietly.

Let Down by Hitters

To get to this point, he had had to retire all those Expos and watch his teammates leave all those runners on against Bill Gullickson. Three of them at third base and three more at second in the first six innings.

At this time, the Dodgers had got nine runners on and scored one run. It was unearned.

"I was getting more or less perturbed at my own hitters," Hooton said later. "I know it's frustrating for them and they're trying, but I was getting a little mad."

His manager, Tom Lasorda, meanwhile, was getting a little scared. His hitters would leave a runner and Hooton would march out and battle the Expos, and come back in and watch his teammates leave another runner or two.

"When you're pitching a ball game, it's a little difficult if you're being denied runs," Lasorda said. "Sometimes you have a tendency to get a little disturbed. I kept watching him for that."

"What were you like when you had that problem?" someone asked Lasorda who pitched briefly in the 1950s for the Brooklyn Dodgers and Kansas City A's.

"Oh man," Lasorda said. "I'd have been screaming. I'd have been telling those guys to score some runs. I'd walk up to guys and punch 'em right in the nose because they didn't drive in runs."

"You don't really mean that," someone said.

"You're damn right I do," Lasorda said. "I remember grabbing Sandy Amoros by the throat one time and squeezing him until his eyeballs were popping out."

Different Temperament

Mercifully, Hooton is calmer, or half the Dodger franchise would now have its eyeballs popping out. In the first inning, Dusty Baker and Garvey left Davey Lopes at third with one out; in the second, Mike Scioscia grounded into a double play with runners at first

and third with one out; in the sixth Baker was thrown out at the plate trying to score on Ron Cey's grounder, and in the same inning, Rick Monday and Pedro Guerrero struck out with runners at first and second.

The Dodgers scored their unearned run in the third, Baker doubling Bill Russell in from first. The Expos scored their unearned run in the fifth, Warren Cromarrie singling in Gary Carter from second.

It stayed that way until the eighth. With one out, Baker hit a ground ball between short and third, the Expo third baseman, Larry Parrish, was playing the line and couldn't get there. Garvey hit the next pitch out of sight.

The Dodger bench spilled onto the field and started dancing before the ball landed. Garvey has been the Dodgers' best hitter in post-season play, but at that point he had been retired in seven of his last eight at-bats with runners on base.

"I was thinking of driving the ball," he said. "He'd started me off with breaking pitches early in the game and the pattern had been not to throw me fastballs with runners on base. I mentioned to some guys on the bench, I'm just looking for sliders or in a good location."

An inning later, the Dodgers bombed Woodie Fryman, Elias Sosa and Bill Lee, representing the Expos bullpen. There was a two-run single by Baker, an RBI single by Cey and another by Reggie Smith, pinch hitting. In its only two appearances, the Expo bullpen has gone two innings and has been hit for seven runs.

Hooton got one out in the eighth, but the Expos got two men on and Hooton was gone. Bob Welch blazed a third strike past Parrish and retired the ever-daring Jerry White on a check-swing fly ball to center. Steve Howe worked a 1-2-3 ninth inning. Ball game.

"You happy to be out of the shadows?" someone asked Hooton later.

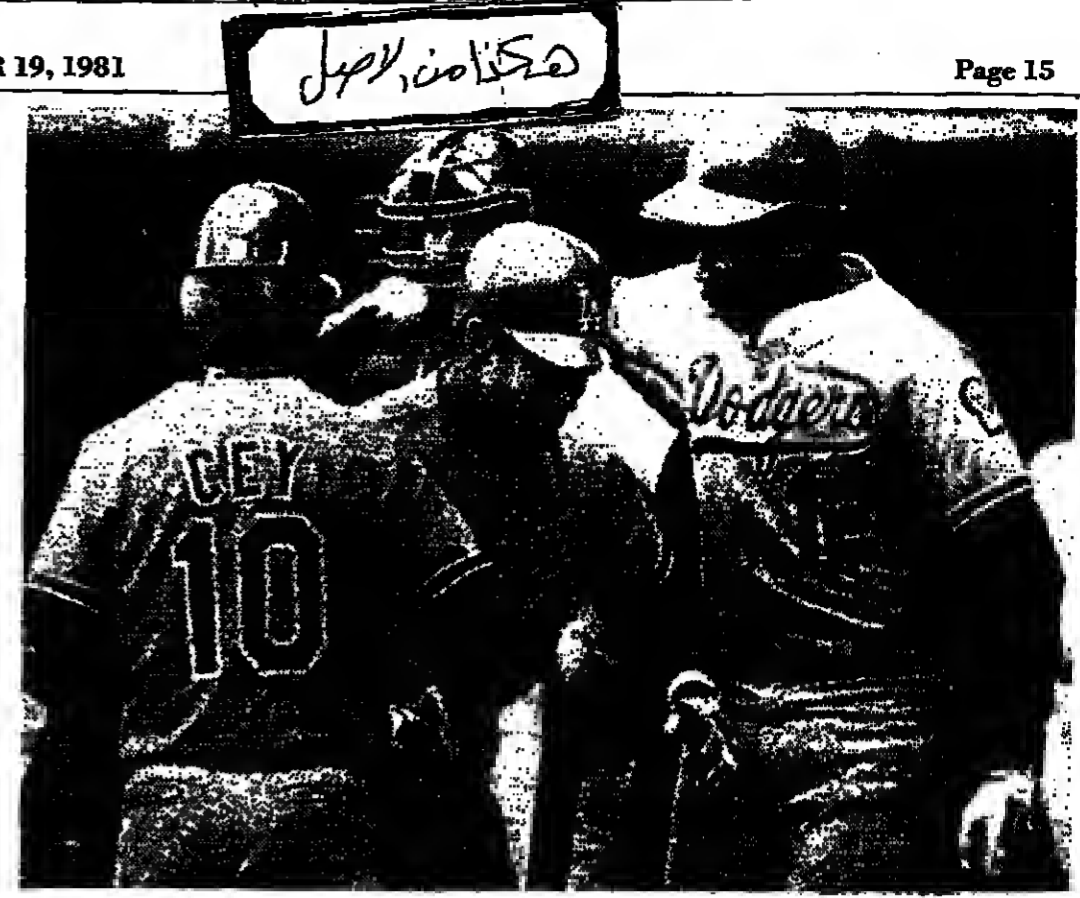
"I'm happy to be right where I am," Hooton said. "I know I'm a good pitcher, the front office knows I'm a good pitcher, my teammates know."

"I like being left alone. I like to be in control of situations. Some people who become too famous lose control. It's not important to me. It's never been important to me."

"I like to play baseball. I make a living playing it. It's something I wanted to do all my life. I like going out and beating the Montreal Expos in the fourth game of the championship series. To me, that's more gratifying than what's going to be written."

"If you did become famous," someone asked, "and you got a lot of endorsements, would you like that, or would it be a pain in the neck?"

"Depends on what they pay," he said.



Steve Garvey (center) is congratulated by Ron Cey and Dusty Baker after his eighth-inning home run during the Dodgers' 7-1 triumph over the Expos in Game 4 of the National League playoffs.

Gene Mayer Beats Panatta in Naples; Borg Ousted Early

NAPLES — Gene Mayer won the Naples Grand Prix tennis tournament Sunday by trouncing Adriano Panatta, the Italian Davis Cup player, 6-3, 6-2.

Panatta had advanced to the final by handing Bjorn Borg a stunning defeat Saturday, overwhelming the Swede, 6-4, 6-4, in only 67 minutes. In his semifinal, Mayer downed Corrado Barazzutti, 6-3, 6-0.

Despite his defeat, Borg was guaranteed an appearance fee of \$83,000 — one-third of the total prize money — just for playing in the 3-day tournament.

McEnroe Wins in Australia

SYDNEY (AP) — John McEnroe beat Roscoe Tanner, 6-4, 7-5, 6-2, in just under two hours Sunday to win the Australian Indoor Championships.

Leand Takes Swiss Event

BASEL, Switzerland (AP) — Ivan Leand beat José Luis Clerc, 6-2, 6-3, 6-0, Sunday in the final of the Swiss Indoor Tennis Tournament. Clerc showed the strain from a semifinal match Saturday in which he had to struggle for almost three hours before beating Trey Waltke, an unseeded American, 5-7, 7-6, 6-3.

Playoff Line Scores

NATIONAL LEAGUE

Game Three

Los Angeles 600 100 88-1 7 3
Montreal 600 100 88-1 7 1

Game Four

Los Angeles 600 100 88-1 12 1
Montreal 600 100 88-1 12 1

Game Five

Hooton, Welch (1), Howe (1) and Scioscia, Venable (7) out. Parrish (1), Sosa (1), Lee (1) and Cey (1) out. Hooton, Welch (1), Howe (1), Sosa (1), Lee (1) and Cey (1) out. Hooton, Welch (1), Howe (1), Sosa (1), Lee (1) and Cey (1) out.

Long Bowties and Kuhnskin Coats

NEW YORK — Bowie Kuhn, probably wearing his historic thermal liner, but hatless and coatless with a sleeveless sweater under his jacket, watched the Montreal Expos win Canada's first pennant playoff game from a heated box upstairs Friday night. The baseball commissioner has said that he considers the playoffs a league matter, but in the World Series, where he is in command, he would be down front with the frustrated customers.

The temperature was 46 degrees (8 degrees Celsius) and plunging when the game started, but 54,372 habitués, the eighth largest home crowd the Expos had

ever drawn, tumbled down into parkas, pulled ski caps over ears and lifted voices in song as Steve Rogers and Jerry White whipped the Los Angeles Dodgers, 4-1. Chances are many customers wore long bowties, formerly called long johns.

"Did you see the angle belts I ordered for the commissioner?" asked John McHale, president and chief executive officer of the Expos.

"I saw a guy dressed up as Santa Claus," a man said.

"I ordered that for the commissioner," McHale said.

7-Hitter for Rogers

Somebody else said that Peter Bavasi, general manager of the Toronto Blue Jays, had arrived wearing a conical coat.

"Do you spell that Kuhnskin?" the guy was asked.

"The weather was good," said Steve Rogers, who pitched a seven-hitter and allowed only his second run in four consecutive games. "It was much worse in Philadelphia," where he outpitched Steve Carlton for the second time in the Eastern Division playoff a week ago. "You should be here in April," Rogers said, "when they try to thaw the Astroturf with blow torches and you run on ice all day."

"The weather had no effect on the game whatsoever," said Tommy Lasorda, manager of the Dodgers.

"What was your feeling after White hit that ball?" Lasorda was asked.

"The feeling is we gotta win two games."

The Dodgers got one of the two Saturday on a sunny and comparatively mild afternoon (52 degrees Fahrenheit, 8 degrees Celsius), knocking out Bill Gullickson and abusing an assortment of bulls from the Montreal bullpen. The 7-1 victory left the playoff even at two games each, with all the marbles up for a fifth match.

Rare Home Run

What did affect the game was a run-scoring single by Larry Parrish that tied the score at 1-1; a three-run drive into the left-field seats by Jerry White, who had made only three boundary hits during the irregular season; Rogers' sinking lineball, and a marvelous double play started by Parrish when the Dodgers had runners on first and second with none out in the ninth.

With two on and none out, Jim Fanning, the Montreal manager, walked to the mound. He said later he had no thought of taking Rogers out; he just wanted to pat him on the back and bolster his confidence.

"I didn't feel so good," Rogers said. "When I saw Jim come out, well, ordinarily, you're gone, but he just wanted to change the flow of the game, slow things up. Then that double play ..."

Pedro Guerrero slashed a tricky grounder to third that Parrish took on a short hop. He stepped on third for a forcout and threw to first to double the batter. Rogers struck out Mike Scioscia and the game was over.

"They gave me the game ball," Rogers said, "and I handed it right back."

"To Parrish?"

"To all of them. I'd give out two dozen game balls. This is a team in the true sense of team. We have to scratch for runs, and it takes every aspect of the game to win."

The Toy Cannon

White had no hits off Jerry Reuss until the sixth inning. With two out and none on, Andre Dawson singled, Gary Carter walked, Parrish singled Dawson home and when Reuss threw two balls to White, Ron Ferraro, the pitching coach, went to the mound to consult with him.

"He had been pitching me low and in," White said, "but he was getting a little tired and his stuff was coming in higher. I was looking for something up. He threw one up that was the third ball, but I swung at it, hoping he'd get one a little lower. He did, but it was still up and in, and I hit it."

"Do you take a lot of kidding about becoming home-run slugger?" he was asked.

"All the time," he said. "They call me the Toy Cannon."

White is an amiable switch-hitter with a smile of gleaming white in the middle of foliage that could conceal a pair of nesting starlings. Fanning calls him "one of the best fourth outfielders around — he rises to the occasion."

The young man enjoys applause and he gets it in Stade Olympique. Fifty-four thousand witnesses get on their feet emitting strange animal cries when the Toy Cannon's big boom reached the seats.

Educated Pitcher

These are special fans. Where crowds chorus "Charge!" in most parks, they sing here. In this bilingual city of embrace and challenge, the Gallic touch is always in evidence. When the Toy Cannon fired, grown men embraced and kissed passionately. Maple leaf flags blossomed in the stands.

He was asked what his playground had said after his hit. "Just slapped me five. Everybody was happy."

Rogers has been a winning pitcher for seven of his eight seasons with the Expos. He has a bachelor of science degree in petroleum engineering from Tulsa University, doubles in mathematics and collecting Indian arrowheads, and is a man of discriminating literary taste.

"Do you feel you're representing Canada?" he was asked.

"I don't think I would ever take on the burden of representing Canada," he said. He is out of Jefferson City, the capital of Missouri.



Nelson Piquet being crowned with a "Caesars Wreath" after winning the 1981 world Formula One driving championship at the Caesars Palace Grand Prix in Las Vegas on Saturday.

4 Touchdown Passes by Kramer Put Vikings Over Eagles, 35-23

BLOOMINGTON, Minn. — Tommy Kramer threw four touchdown passes — three in the second quarter — as the Minnesota Vikings defeated Philadelphia, 35-23, Sunday, handing the Eagles their first National Football League loss of the season.

Kramer, who passed for four touchdowns in a last-minute victory over San Diego last week, rattled the normally staunch Philadelphia defense with 24 completions in 46 attempts for 257 yards, as the Vikings won their fifth straight game.

Kramer's scoring passes in the second quarter covered 11 yards to tight end Joe Sencer, 50 yards to wide receiver Sammy White and 1 yard to backup tight end Bob Brucer.

Philadelphia had taken a 6-0 lead late in the first quarter on a 1-yard run by Wilbert Montgomery. Matt Blair blocked Tony Franklin's conversion attempt.

After Sencer's touchdown catch, Franklin kicked a 30-yard field goal for a 9-7 lead, but Kramer put the Vikings ahead for good less than two minutes later with his bomb over the middle to White, who had beaten two Philadelphia defenders.

Falcons 41, Cardinals 20

In Atlanta, Steve Bartkowski threw four touchdown passes, two to Alfred Jenkins and two to William Andrews, to help the Falcons snap a three-game losing streak with a come-from-behind 41-20 victory over St. Louis.

The Falcons were trailing 14-0, and playing so listlessly that it appeared they were going to lose decisively before a 44-yard pass interference call midway through the second quarter brought them to life.

Bartkowski connected with Jenkins on a 23-yard scoring pass on the next play, and the Falcons went on to score 20 points in the final nine minutes of the first half to take the lead for keeps.

Jets 33, Bills 14

In New York, Bruce Harper's 29-yard touchdown burst and Bobby Jones' 61-yard scoring dash with a fumble recovery highlighted a 21-point third quarter that helped the resurgent New York Jets avenge their worst defeat of the year with a 33-14 upset of Buffalo.

Harper's dash up the middle early in the third quarter put New York ahead to stay, 13-7. Richard Todd boosted the lead to 20-7 later in the period with a 19-yard touchdown pass to Jerome Barkum, and Jones iced the game when he picked up a fumble by teammate Mike Augustyniak and raced 61 yards for a touchdown and a 27-14 lead.

Pat Leahy had field goals of 24, 29, 39, and 22 yards for the Jets, who raised their record to 3-3-1 after an 0-3 start. Buffalo, which crushed the Jets, 31-0, on opening day, fell to 4-3.

Patriots 38, Oilers 10

In Foxboro, Mass., Steve Grogan, starting his first game in a month, threw for two touchdowns to spark a 17-point third quarter that crunched New England to a 38-10 trouncing of Houston.

The Patriots (2-5) were blessed with good field position all day, but trailed Houston (4-3) by a 10-7 score at halftime. Then, Tim Fox's interception, one of four thrown by Oiler quarterback Ken Stabler,

gave some spark to the Patriots early in the third quarter.

Fox lagged Stabler's overthrow pass 20 yards and, on the next play, Grogan launched a 43-yard touchdown bomb to Stanley Morgan. That put the Patriots ahead for good, 14-10, with 2:29 gone in the third quarter.

49ers 13, Packers 3

In Milwaukee, Johnny Davis plunged one yard for San Francisco's go-ahead touchdown late in the third quarter, and Ray Werschling kicked two field goals, leading the 49ers to a 13-3 victory over Green Bay.

Joe Montana passed for 210 yards, and defensive end Lawrence Fillier had three quarterback sacks for the 49ers, who raised their record to 5-2 with a four-game winning streak. The Packers slipped to 2-5.

The 49ers started their touchdown drive from the Packer 46 after a 12-yard punt return by Freddie Solomon. Montana then passed to Paul Hofer, who beat safety Johnnie Gray, for a 22-yard gain to the Packer 9. Davis plunged over right guard to score on fourth down from the 1, breaking a 3-3 tie with 4:11 left in the third quarter. Werschling made it 13-3 with a 32-yard field goal with 4:31 to play.

Bengals 34, Steelers 7

In Cincinnati, Ken Anderson teamed with rookie wide receiver David Verser on a 73-yard touchdown pass to highlight Cincinnati's 34-7 rout of Pittsburgh, giving the surprising Bengals sole possession of first place in the AFC Central Division.

The triumph was Cincinnati's third straight over the Steelers, and it came on the 48th birthday of the Bengal head coach, Forrest Gregg. Cincinnati raised its record to 5-2 while Pittsburgh ended a four-game winning streak and slipped to 4-3.

Cincinnati, besides the Anderson-Verser touchdown bomb, also scored on a 5-yard pass from Anderson to Pete Johnson, a 3-yard run by Johnson and a 3-yard run by Charles Alexander. Jim Breach added field goals of 27 and 23 yards.

Browns 20, Saints 17

In Cleveland, the Browns, stunned temporarily by the first half dramatics of New Orleans, rallied to beat the Saints, 20-17, on a 2-yard fourth quarter touchdown plunge by fullback Mike Pruitt.

George Rogers had broken loose on a 5-yard scoring run — the longest in Saints' history — and New Orleans converted a faked field goal into a touchdown to help the Saints take a 17-13 edge entering the final period.

But Cleveland blocked a 22-yard field goal attempt by Benny Ricardo with less than 10 minutes to go in the game, then drove 78 yards in 13 plays to achieve Pruitt's score.

Asked his feelings at passing Reutemann — who moved aside to make Jones' pass safer — Jones grinned and said: "Wonderful."

Demanding Course

The 14-turn circuit, surprisingly fast despite its rather short distance, proved physically demanding on the drivers. Jones, who averaged 97.992 mph, (156.79 kilometers an hour) complained about an aching right shoulder, and Piquet had to be helped from his car because of exhaustion and a sore neck.

"The corners here create more downforce than nearly anywhere else we race," Jones explained, "and the corners are quick left-handers. This is new to Grand Prix racing where most high-speed corners are right-handers."

Jones, who had been bitterly critical of the course earlier in the

Arkansas Thrashes Top-Ranked Texas

FAYETTEVILLE, Ark. — Unranked Arkansas, ignited by halfback Gary Anderson and quarterback Tom Jones, overwhelmed top-ranked and previously unbeaten Texas, 42-11, Saturday.

It was the worst defeat Texas had received from Arkansas since the Razorbacks bounced them 42-

Graham Captures French Golf Event; Trevino Is Last

ST. NOM-LA-BRETECHE, France — David Graham of Australia shot a 2-under-par 70 Sunday to win the \$25,000 first prize in the Lancome Invitational Golf Tournament.

Graham, winner of the Phoenix Open and the U.S. Open on the PGA Tour this season, had five shots to spare in the end as he closed with an 8-under-par 280 on the 6,800 yard course.

Isao Aoki of Japan had a birdie hole at the 521-yard 17th hole for a 72 to earn a share of second place at 285 with Sandy Lyle of Britain, who had seven birdies in shooting a 68. They earned \$9,000 each.

Lee Trevino, the defending champion, finished last in the 12-man field with a 75 for 295. Trevino said afterwards: "My back is really playing up. It hurts real bad and I need to take a rest and lose some weight. But I hope to be fit to tee-up in Madrid on Thursday."

Pate Leads U.S. Event

PENSACOLA, Fla. (UPI) — Jerry Pate, a native Pensacolaian who made the cut in his hometown golf tournament for the first time this year, fired a 7-under-par 65 Saturday to take a four-stroke lead after the third round of the Pensacola Open.

Pate finished 54 holes at the Perdido Bay course with a 16-under-par 200 that gave him a comfortable margin over Fred Couples, the second-round leader, and Steve Melnyk, who were to go into Sunday's final round at 204. Couples shot a 71 in the third round and Melnyk carded a 68.

drive early in the second quarter. Steve Smith passing 17 yards to wide receiver Anthony Carter for the touchdown and a 7-6 Michigan lead at the half.

In the third quarter, Iowa defensive back Mel Cole intercepted a Smith pass in the end zone, and the Hawkeyes went 67 yards in 12 plays to set up Nichol's game-winning field goal.

Mississippi State 14, Miami 10

In Starkville, Miss., quarterback John Bond set up two scores with his passing as Mississippi State defeated Miami (Fla.), 14-10.

Bond engineered a second-quarter touchdown with two crucial passes to Mel Cole intercepted a Smith pass in the end zone, and the Hawkeyes went 67 yards in 12 plays to set up Nichol's game-winning field goal.

COLLEGE FOOTBALL

6 in 1938 and tied the second worst defeat in Texas' history.

"What can you say," said Lou Holtz, the Arkansas coach. "Everything went our way."

"We were ready and we were eager," said Texas coach Fred Akers. "I just can't explain it ... All the bad things that could happen did."

Texas gave up four interceptions and three lost fumbles as its record fell to 4-1. It did not have a first down until the second half and was held to only four first downs in the first half.

The Razorbacks, 5-1, scored all their 25 first half points except a field goal after Texas mistakes.

Arkansas only had to travel 24 yards to score 15 points as the Longhorns fumbled twice and gave up a safety in the first quarter. Arkansas quarterback Tom Jones scored on a one-yard run and running back Gary Anderson ran for five yard touchdowns but missed an extra point attempt.

The two teams traded field goals before the Razorbacks scored just before the half on a touchdown pass from Jones to Anderson.

Arkansas lead 39-3 at the end of the third period on Darrell Bowles 19-yard touchdown run and Jones' four-yard run. After Bruce Lahay kicked his second field goal of the game, Texas scored its only touchdown — an eight-yard Robert Brewer to Donnie Little pass.

Pittsburgh 42, Florida State 14

In Pittsburgh, Dan Marino passed for 251 yards and three touchdowns, and Bryan Thomas rushed for 217 yards and another score as Pittsburgh romped to a 42-14 victory over Florida State.

It was the 12th straight victory for the Panthers, 5-0, since the Seminoles ended their 14-game winning streak last year. Pitt's defense added two touchdowns while recovering two Seminole fumbles, intercepting three passes and holding Florida State, 4-2, to 76 yards rushing.

Iowa 9, Michigan 7

In Ann Arbor, Mich., Tom Nichol's third field goal of the game, a 30-yard kick with 2:40 left in the third period enabled 12-rated Iowa to post a 9-7 upset victory over fifth-ranked Michigan.

The victory marked the first time the Hawkeyes, 5-1, had beaten Michigan, 4-2, since 1962 and practically eliminated Michigan from Big Ten title consideration with a 2-2 league mark.

Michigan put together its only

More Sports On Page 13

wanted Nelson to become a tennis player.

When Piquet took the checkered flag it set off a demonstration of flag-waving Brazilian rosters behind the Bradham pits.

LAS VEGAS GRAND PRIX

1. Alan Jones, Australia, Williams, 1:44.09
2. Carlos Reutemann, Argentina, 1:44.29
3. Nelson Piquet, Brazil, Brabham, 1:44.30
4. Nigel Mansell, England, Lotus, 1:44.57
5. Emerson Fittipaldi, Brazil, Brabham, 1:45.58
6. Jacques Laffite, France, Talbot, 1:46.27
7. John Watson, Ireland, McLaren, 1:46.58
8. Bruno Giacomelli, Italy, Alfa Romeo, 1:46.59
9. Didier Pironi, France, Ferrari, 2 laps behind
10. Kalle Nevala, Finland, Fittipaldi, 2 laps behind

FORMULA ONE STANDINGS

Piquet

1. Nelson Piquet, Brazil, 50 points
2. Carlos Reutemann, Argentina, 44
3. Alan Jones, Australia, 44
4. Jacques Laffite, France, 44
5. John Watson, Ireland, 27
6. Johnnie Evans, Scotland, 25
7. Gilles Villeneuve, Canada, 25
8. Elio de Angelis, Italy, 14
9. Hector Rebaque, Mexico, 11
10. Rene Arnoux, France, 11
11. Eddie Cheever, U.S., 10
12. Riccardo Patrese, Italy, 10
13. Olivier Pironi, France, 9
14. Nigel Mansell, England, 8
15. Andrea De Cesaris, Italy, 7
16. Marc Surer, Switzerland, 4
17. Mario Andretti, U.S., 3
18. Stefan Johansson, Sweden, 2
19. Eliseo Salazar, Chile, 1
20. Patrick Tambay, France, 1

West Germany Defeats Qatar in Youth Soccer

SYDNEY — West Germany won the World Youth Soccer Championship Sunday by defeating Qatar, 4-0, in a steady rain before a crowd of 18,531.

In Adelaide, on Saturday, Romania defeated England, 1-0, in the playoff for third place.

